

COLA, step increases, and other adjustments effective July 1

New pay rates impact pension contribution & optional Life.

As part of the Fiscal Year 2023 budget adoption process earlier this year, Levy Court approved a 4% cost of living adjustment and continuation of pay range progression with a full step increase for eligible full-time employees.

HR/Payroll, Finance, and I.T. staff have worked diligently to update the new pay rates in the payroll system as of July 1. Keep in mind that the pay period worked from June 19-July 2, (direct deposited on or about July 8, 2022) will only reflect one or two days of the new pay rate.



The subsequent two-week pay period worked from July 3-16 (direct deposited on or about Friday, July 22, 2022) will be the first to fully include the new Fiscal Year pay rates. Please be sure to check your pay stub available on the Employee Portal webpage for any errors. The County's pay plan features wide pay ranges with steps identified by numbers in the payroll system but commonly referenced by the letters A-T, since each step represents about 2%, a plus sign is used to identify 1%. For example: Step A=1, A+=2, B=3, B+=4 and so on until the maximum rate for the pay range which is reflected by the letter T=39. For the specific FY23 hourly rate for each step of the pay grades, check the "Job Titles & Rates" tab on the Employee Portal. <https://co.kent.de.us/personnel/employee-portal/.aspx>

In order to be eligible for a step increase, employees must have received an "effective" (3.0 or more) on their annual performance evaluation. Employees hired before October 1, 2021 are eligible for a full 2% step increase, employees hired between October 1, 2021-March 31, 2022 are eligible for a half (1%) step increase, and employees hired on April 1, 2022 to the present receive no step increase. All full-time employees receive the COLA and the applicable position full-time pay ranges are also adjusted by the COLA. Contracted, temporary, and seasonal employees are not eligible for a pay increase, although the minimum wage will increase to \$11.75 effective January 1, 2023.

As a result of the COLA, eligible step increase, and/or reclassification, full-time employees will see an increase in tax deductions and pension deduction. Employees hired before 12/20/10 contribute one percent of annual salary toward the County's pension plan under the IRS pick-up provision. Employees hired after 12/20/10 but before 01/01/20 pay three percent of annual salary after the first \$6,000 and employees hired after 01/01/20 pay five percent of annual salary after the first \$6,000 under IRS pick-up. Contributions are made on a pay period basis (26 pays per year).

In addition, employees with optional voluntary life insurance through Standard will experience an increase in the premium deduction due to the pay raise, and any five-year age bracket change. Those with life insured children will see a 50 cent increase for the higher \$15,000 coverage, while those with spouse coverage will likely see a premium reduction (unless 65+ or coverage amounts were increased). The monthly premium is deducted one half each pay check. Like health insurance, no deduction is made for voluntary life insurance when three pays occur in the same month – 09/30/22 is next.

Employees turning 30, 35, 40, 45, 50, 55, 60, 65 or 70 after June 30, 2021 and before July 1, 2022 go up to the next age bracket rate. Those with birthdays after July 1, get the rest of the fiscal year at the old rate. Spouse coverage also moves to the higher age rate as the primary insured. Children coverage continues until age 26 – please inform the Personnel Office when the youngest of your children is no longer eligible due to age in order to stop deductions. Children (1 or more) coverage is \$15,000 a flat \$2.50 per month.

The following rate chart can be used to calculate the new monthly premium by multiplying the level of coverage (½, 1, 2 or 3) with annual salary, rounding up to the nearest \$1,000, dividing by 1,000 and multiplying by the age rate:

The Standard OPTIONAL LIFE Per \$1000	Age <30	30- 34	35- 39	40- 44	45- 49	50- 54	55- 59	60- 64	65- 69	70- 74+	75+
EMPLOYEE <i>GI=\$300K</i> (w/15% enrollment)	.07	.099	.121	.187	.286	.462	.737	.957	1.17	2.21	2.21
SPOUSE* <i>GI=\$50K</i> (w/15% enrollment)	.052	.052	.060	.091	.136	.209	.385	.779	1.421	4.495	4.495
CHILD* (1 or more). (w/15% enrollment)	.020 per \$1,000 coverage for a flat \$15,000 benefit										

If you have questions, please contact the Human Resources Office.

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